

State of Arizona  
House of Representatives  
Forty-seventh Legislature  
Second Regular Session  
2006

# HOUSE BILL 2523

AN ACT

AMENDING TITLE 28, CHAPTER 7, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 28-2098; RELATING TO SALVAGE CERTIFICATES OF TITLE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 28, chapter 7, article 3, Arizona Revised Statutes,  
3 is amended by adding section 28-2098, to read:

4 28-2098. Exemption from salvage certificate of title; licensee  
5 ownership transfers; requirements; retail sales;  
6 violation; classification; definitions

7 A. A DEALER OR AUTOMOTIVE RECYCLER WHO OWNS A VEHICLE THAT IS  
8 UNECONOMICAL TO REPAIR IS EXEMPT FROM APPLYING FOR A SALVAGE CERTIFICATE OF  
9 TITLE AS PRESCRIBED IN SECTION 28-2091 IF ALL OF THE FOLLOWING APPLY:

10 1. THE SELLING DEALER OR AUTOMOTIVE RECYCLER IS TRANSFERRING OWNERSHIP  
11 OF THE VEHICLE TO ANOTHER DEALER OR AUTOMOTIVE RECYCLER.

12 2. THE SELLING DEALER PROVIDES THE PURCHASING DEALER WITH A WRITTEN  
13 DOCUMENT DISCLOSING ANY KNOWN DEFECTS TO THE VEHICLE THAT MAY ENDANGER A  
14 DRIVER OR OTHER OCCUPANT OF THE VEHICLE DURING REASONABLE USE OF THE VEHICLE.

15 3. THE PURCHASING DEALER OR AUTOMOTIVE RECYCLER PROVIDES EVIDENCE  
16 SATISFACTORY TO THE SELLING DEALER OR AUTOMOTIVE RECYCLER THAT THE PURCHASING  
17 DEALER OR AUTOMOTIVE RECYCLER HOLDS A VALID LICENSE ISSUED PURSUANT TO  
18 CHAPTER 10 OF THIS TITLE.

19 4. THE SELLING DEALER OR AUTOMOTIVE RECYCLER RETAINS THE INFORMATION  
20 REQUIRED IN PARAGRAPH 2 OF THIS SUBSECTION FOR A PERIOD OF AT LEAST THREE  
21 YEARS AFTER THE DATE OF OWNERSHIP TRANSFER AND MAKES THE INFORMATION  
22 AVAILABLE TO ANY CERTIFIED PEACE OFFICER DURING REASONABLE BUSINESS HOURS.

23 5. THE VEHICLE IS NOT THE SUBJECT OF A TOTAL LOSS PROPERTY DAMAGE  
24 CLAIM MADE AGAINST AN INSURER BY THE DEALER OR AUTOMOTIVE RECYCLER, INCLUDING  
25 A TOTAL LOSS CLAIM FOR PROPERTY DAMAGE SUBROGATION.

26 B. A DEALER OR AUTOMOTIVE RECYCLER POSSESSING A VEHICLE OBTAINED  
27 PURSUANT TO SUBSECTION A OF THIS SECTION SHALL NOT OFFER THE VEHICLE FOR SALE  
28 TO A RETAIL CONSUMER UNLESS ONE OF THE FOLLOWING APPLIES:

29 1. THE DEALER OR AUTOMOTIVE RECYCLER CERTIFIES ALL OF THE FOLLOWING:

30 (a) THE VEHICLE IS NOT A SALVAGE OR NONREPAIRABLE VEHICLE AS DEFINED  
31 IN SECTION 28-2091.

32 (b) THE VEHICLE COMPLIES WITH THE EQUIPMENT REQUIREMENTS OF CHAPTER 3,  
33 ARTICLE 16 THAT APPLY TO THE TYPE OF VEHICLE THE RETAIL CONSUMER IS  
34 PURCHASING, EXCEPT FOR THOSE REQUIREMENTS THAT BY THEIR NATURE CAN HAVE NO  
35 APPLICATION.

36 (c) THE VEHICLE MEETS THE IMPLIED WARRANTY OF MERCHANTABILITY STANDARD  
37 PRESCRIBED IN SECTION 22-1267, SUBSECTION C.

38 2. THE DEALER OR AUTOMOTIVE RECYCLER OBTAINS A SALVAGE CERTIFICATE OF  
39 TITLE OR A NONREPAIRABLE VEHICLE CERTIFICATE OF TITLE AS PRESCRIBED IN  
40 SECTION 28-2091.

41 3. THE DEALER OR AUTOMOTIVE RECYCLER OBTAINS A RESTORED SALVAGE  
42 CERTIFICATE OF TITLE AS PRESCRIBED IN SECTION 28-2095.

43 C. THIS SECTION SHALL NOT BE CONSTRUED TO RELIEVE A DEALER OR  
44 AUTOMOTIVE RECYCLER OF ANY RESPONSIBILITIES OR REQUIREMENTS IMPOSED BY  
45 CHAPTER 10 OF THIS TITLE OR SECTION 44-1267.

1           D. CERTIFICATIONS MADE BY A DEALER OR AUTOMOTIVE RECYCLER PURSUANT TO  
2 SUBSECTION B, PARAGRAPH 1 OF THIS SECTION SHALL BE MAINTAINED AS PART OF THE  
3 RECORDS OF THE DEALER OR AUTOMOTIVE RECYCLER AS PRESCRIBED BY SECTION 28-4403  
4 AND ARE SUBJECT TO INSPECTION BY A CERTIFIED PEACE OFFICER DURING REASONABLE  
5 BUSINESS HOURS.

6           E. A PERSON WHO VIOLATES THIS SECTION IS GUILTY OF A CLASS 1  
7 MISDEMEANOR.

8           F. FOR THE PURPOSES OF THIS SECTION:

9           1. "AUTOMOTIVE RECYCLER" MEANS A PERSON WHO IS LICENSED AS AN  
10 AUTOMOTIVE RECYCLER PURSUANT TO CHAPTER 10 OF THIS TITLE.

11           2. "DEALER" MEANS A PERSON WHO IS LICENSED AS A MOTOR VEHICLE DEALER  
12 PURSUANT TO CHAPTER 10 OF THIS TITLE.

13           3. "TOTAL LOSS" MEANS A CLAIM FOR THE FULL ACTUAL CASH VALUE OF THE  
14 VEHICLE.